

**FIELD WORK AUDIT PROGRAM AND RESULTS FILE  
# 9907**

Auditor: GMandrekar  
Date 11/30/99

---

APPROVED:

DATE:

---

**Objective E: To test the adequacy of the building division's internal controls with respect to permit issuance, cash handling and valuation of commercial, industrial and multi-use structures.**

**E-1 Sub-Objective: To evaluate the adequacy of the valuation process for new commercial and residential construction, residential and commercial alterations, multi-use structures and in assessing the applicable development taxes and verify that they are valued in accordance with the applicable codes.**

**E-1.1** Obtain copies of current policies on valuation process

**NOT STARTED**

**E-1.2** Document any additional procedures for verifying the valuation process

**NOT STARTED**

**E-1.3** Select a sample of cases- new residential and commercial construction and residential and commercial alteration and multi-use structures to verify the following:

- These properties are valued according to appropriate City of San Jose Codes and Ordinances ((C2-1 to C2-3,T-1 to T2-4)
- The properties are valued in a consistent manner.
- There is consistency in case of alterations for residential and commercial structures.
- Verify the frequency of contractor bid requests by Building in case of alterations.(C2-6)
- Interview with Plan Check Engineers to discuss their understanding of the valuation process. (C2.6)

**If exceptions are noted, interview appropriate staff the determine cause of exceptions.**

**NOT STARTED**

**E-1.4** Verify that Permit Fee rate codes in APBIS are accurate, compared to appropriate fee schedule and that the residential valuation rate used is the most current rate.

**NOT STARTED**

### ***DEVELOPMENT TAXES***

**E-1.5** Obtain a copy of the OED analysis showing that the development taxes are no longer applicable and outdated.

**NOT STARTED**

**E-1.6** Obtain a list of development tax exemptions that are set to expire

**NOT STARTED**

**E-1.7** Obtain a copy of the policy for processing development taxes

**NOT STARTED**

**E-1.8** Document any procedures on processing development taxes (C2-14)

**NOT STARTED**

**E-1.9** Verify that development tax rate codes in ABPIS are accurate compared to the appropriate fee rate schedule.

**NOT STARTED**

**E-1.10** Sample a list of commercial/industrial structures calculated by APBIS

- To review the tax codes in APBIS to calculate the development taxes.

**NOT STARTED**

**E-1.11** Review the ABPIS system database to verify and ensure that the computer processed data is valid and reliable .

**NOT STARTED**

**E-1.12** Interview with building personnel to verify their understanding of policies and procedures to assess communication within the department. (T2-10, C2-16, C2-17)

**NOT STARTED**

**E-1.13** Obtain policies and other documentation (if any) for dealing with departmental employee refund and permit application for the following:

- To test whether employees are receiving special treatment.

**NOT STARTED**

**E-1.14** Summarize sub-objective results:

- Key limitations of current process;
- Overall assessment and/or conclusion;
- Audit issues and/or findings;

If information comes to auditor's attention indicating that abuse or illegal acts may have occurred, the Auditor-in Charge will immediately notify the City Auditor and the Supervising Auditor. Audit steps will be extended as necessary and the auditor should determine the extent to which these acts significantly affect the audit results. (*Audit standards FWS 3A and 3B*).